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Implementation of the Second United Nations Decade for the Eradication of Poverty (2008-2017)

Report of the Secretary-General

Summary

The present report is submitted pursuant to General Assembly resolution 67/224 in which the Assembly requested the Secretary-General to submit a report on the implementation of the Second United Nations Decade for the Eradication of Poverty (2008-2017). It examines progress and challenges to poverty eradication and discusses policy priorities. The report also reviews the latest activities to implement the United Nations system-wide Plan of Action for the Second Decade, and concludes with a number of recommendations for consideration by the General Assembly.

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I. Introduction

1. Poverty eradication is the central objective of development, as reflected in the Millennium Development Goal to halve global extreme poverty by 2015. The Second United Nations Decade for the Eradication of Poverty (2008-2017) seeks to support the efforts to achieve this goal with the theme "Full employment and decent work for all". There are less than 1,000 days remaining before the 2015 target date, so it is particularly critical to accelerate progress in regions that are lagging behind.

2. The present report focuses on progress and challenges as well as main policy measures to reduce poverty, and provides an overview of recent activities undertaken by the United Nations agencies to implement the system-wide Plan of Action for the Second Decade.

II. Current progress in poverty eradication

3. The selection of "Full employment and decent work for all" as the mission of the Second Decade underscored the recognition that poverty is a multidimensional phenomenon that extends beyond income poverty and reflects both lack of opportunity and capability. This manifests itself in the decent work deficit; pervasive hunger and malnutrition; limited access to health care, social protection, education, water, sanitation, and other basic social services; social exclusion and inequality; and vulnerability to economic shocks, climate change and disasters.

Poverty

4. In the past five years, despite the economic recession and volatility of prices for fuel and food, the proportion of people living in extreme poverty — on less than $1.25 a day — reached new lows in all six developing regions.[1] The newest World Bank Group estimates point out that the global poverty rate fell to 20.6 per cent in 2010, less than half the 1990 rate of 43.1 per cent.[2,3] Thus, the Millennium Development Goals target has been achieved at the global level, five years before the target date. However, progress has been uneven, and there were 1.2 billion people still living on less than $1.25 a day in 2010, most of them in sub-Saharan Africa and South Asia. It is projected that, by 2015, about 970 million people will still be living on less than $1.25 a day in countries classified as low or middle income in 1990.[2,3]

5. Successes in poverty reduction were concentrated in the region of East Asia and the Pacific, with China leading the way. The region's record in poverty reduction has been distinctive. In 1990, it had about 1 billion people living below $1.25 a day (50 per cent of world share) and the highest poverty rate (56 per cent). In 2010, driven by success in China, the region's poverty rate had decreased to 12 per cent and is projected to decline to 6 per cent by 2015.[2,3]

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[1] World Bank, *World Development Indicators 2013* (Washington, D.C., 2013).

[2] Some critics argue that, for methodological reasons, the poverty line based on purchasing power parity misrepresents the prevalence of poverty worldwide.

[3] World Bank and International Monetary Fund, *Global Monitoring Report 2013: Rural-Urban Dynamics and the Millennium Development Goals* (Washington, D.C, 2013).

6. Sub-Saharan Africa and South Asia have yet to reach the poverty target at the regional level. Progress in South Asia has been substantial, with poverty rates falling from 51 per cent in 1990 to 30 per cent two decades later. In contrast, the poverty rate in sub-Saharan Africa fell only 8 percentage points over the same period. In sub-Saharan Africa, almost half of the population live on less than $1.25 a day, and it was the only region in which the number of people living in extreme poverty rose steadily, from 290 million in 1990 to 414 million in 2010, accounting for more than one third of the world's poor. By 2015, sub-Saharan Africa and South Asia will each constitute about 40 per cent of the developing world population living in extreme poverty.[4]

7. Many people not currently living in poverty confront high risk of becoming poor if faced with job loss, economic shock, climate change or other disaster. While extreme poverty has declined significantly, the share of the world's population that is not poor, but vulnerable to falling into poverty, has increased to about 50 per cent.[3] In addition, globally nearly 8 out of 10 of the working poor live in rural areas[5] and spend a high proportion of their disposable income on food. In rural areas, poverty is often a problem of poor quality of jobs, resulting in low levels of labour productivity.

Hunger

8. Poverty and hunger are inextricably linked. Hunger and malnutrition persist in many parts of the world. According to new estimates, for the period 2010 to 2012 nearly 870 million people, one in eight in the world, were chronically hungry. The number of undernourished people declined more sharply than earlier estimates since 1990, but with the global economic crisis, progress has slowed.[6]

9. As a result of more rapid progress in reducing hunger, at least until the economic crisis, the developing world is much closer to reaching the Millennium Development Goal of reducing by half the percentage of people suffering from hunger.[7] The global number of people enduring hunger declined by 132 million between 1990 and 1992 and 2010 and 2012 or from 18.6 per cent to 12.5 of the world's population, and from 23.2 per cent to 14.9 per cent in developing countries. If the trend in average annual decline of the past 20 years were to continue on to 2015, the global target of 11.6 per cent would be within reach.

10. There are significant disparities between regions and some countries have moved further away from the Goals. In Asia and the Pacific, the undernourished population over the past 20 years decreased from 739 million people to 563 million, owing to socioeconomic progress in many countries. In Latin America and the Caribbean, the number of people enduring hunger fell from 65 million to 49 million over the same period. Given the reduction in both the number and proportion of undernourished, those two regions are roughly on track to reach the Goals. In Africa, by contrast, the number increased from 175 million to 239 million over the

[4] *The Millennium Development Goals Report 2013* (United Nations publication, Sales No. E.13.I.19).

[5] International Labour Organization, *Global Employment Trends 2012: Preventing a deeper job crisis* (Geneva, 2012).

[6] Food and Agriculture Organization of the United Nations, thirty-eighth session of FAO Conference, "The State of Food and Agriculture" (C/2013/2).

[7] FAO, *State of Food Insecurity in the World 2012*.

period, with 20 million added in the past four years. The target of halving the proportion of people suffering from hunger will not be met in sub-Saharan Africa or South Asia.[8] Behind these regional disparities are different levels of vulnerability and capacity to deal with economic shocks, such as food price increases and economic recessions.

11. Volatile food prices and the global economic crisis of 2007-2009 have slowed down progress in hunger reduction. International food prices, while down slightly from their 2011 peak, still remain well above historical averages, and continue to have the worst impact on the poorest. In sub-Saharan Africa, modest progress up to 2007 was reversed, with hunger increasing 2 per cent per year.

III. Challenges to poverty eradication

12. High unemployment, widening inequality and climate change have remained key challenges for many countries. These ongoing challenges continue to be aggravated by the subdued pace of recovery of the global economy and the contraction in the euro area. As many developed and developing countries have been trying to address high levels of indebtedness, austerity measures targeting public expenditure have threatened to exacerbate the situation.

Unemployment

13. Employment and decent work are key drivers of poverty reduction. The recent global crisis and the weakening of the global recovery have markedly worsened the employment situation. Global unemployment has increased by 28 million people since the crisis, reaching a total of 200 million people in 2012, a disproportionate share of whom are youth. Another 5.1 million people are expected to join the jobless ranks in 2013. Moreover, some 39 million people have dropped out of the labour market, leaving a 67 million global jobs gap since 2007.[9]

14. The job challenge differs across regions. Unemployment has been stubbornly high in developed countries. In the euro area, unemployment has actually risen. The average unemployment rate in the euro area reached a new, all-time high of 12.1 per cent in March 2013, and long-term unemployment has become a structural problem for many European countries.[10] Developed countries and the European Union region, although accounting for less than 16 per cent of the global workforce, have contributed to more than half of the total global increase in unemployment over the past five years.

15. In most developing countries, the impact of the economic crisis on formal employment has been less evident. In parts of East Asia and South America, unemployment rates have actually dropped below the levels seen before the financial crisis. By contrast, employment continues to be a major problem in many African countries, despite strong economic growth in recent years. Developing countries continue to face many structural labour market challenges — such as low

[8] United Nations, *World Economic and Social Survey 2013: Sustainable Development Challenges.*

[9] See International Labour Organization, *Global Employment Trends 2013: Recovering from a second jobs dip* (Geneva, 2013).

[10] *World Economic Situation and Prospects 2013* (Update as of mid-2013, United Nations publication, Sales No. E.13.II.C.2).

participation rates, particularly among women, high youth unemployment, large informal sectors, low quality of jobs and slow productivity growth. The majority of workers in developing countries remain trapped in jobs with low incomes and lack of basic social protection, which leave them vulnerable to social and economic risks. In 2012, 56 per cent of all workers in the developing world, or 1.49 billion people, were in vulnerable employment.

16. The number of working poor has continued to decline, although at a slower pace than before the crisis. According to recent estimates, about 870 million workers were still living with their families on less than US$ 2 per day, of which nearly 400 million were living in extreme poverty. In addition, some 660 million workers were living just above the poverty line and were highly vulnerable to any economic shock. It is projected that the absolute number of working poor will decline only gradually, unless faster economic growth returns.[9]

17. Unemployment among young people has continued to increase in many countries. In 2012, the youth unemployment rate exceeded 15 per cent in two thirds of developed countries, with peaks of over 50 per cent in Greece and Spain. In 2013, 73 million young people are unemployed globally, and the slowdown in economic activity is likely to push another half a million into unemployment in 2014.[11] Long-term unemployment poses a particular challenge, with many having been out of work for six months or more.

18. Young people in developing countries (90 per cent of the global total) also face employment challenges. Youth unemployment is the highest in the Middle East and North Africa, where more than one in five economically active young people are unemployed. The lowest youth unemployment rates, between 9 and 11 per cent, are in South Asia, East Asia and sub-Saharan Africa, owing largely to higher levels of poverty.[11] The critical challenge for youth in developing countries is the high number of those engaged in irregular work and remaining outside the educational system. Research based on a new set of school-to-work transition surveys showed that, in 6 of the 10 developing countries surveyed, over 60 per cent of young people were part of the underutilized labour force, neither in regular employment nor in school.[11]

Inequality

19. In the last 30 years, inequality has worsened within many countries. Growing inequality jeopardizes progress towards poverty eradication and social stability. Situations where the poor are excluded from economic growth, or trapped in low-productivity jobs, result in the gains from growth going disproportionately to those already better off. Inequality is not a matter only for those at the bottom. High inequality is associated with shorter growth episodes, and is an obstacle to economic development. Highly unequal countries tend to grow more slowly than those with low income inequality, to be less successful in sustaining economic growth, and to recover more slowly from economic downturns.[12] In fact, no country has moved beyond middle-income status while maintaining high levels of inequality.[13]

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[11] See ILO, *Global Employment Trends for Youth: A generation at risk* (Geneva, 2013).

[12] Andrew G. Berg and Jonathan D. Ostry, *Inequality and Unsustainable Growth: Two Sides of the Same Coin?*, *IMF Staff Discussion Note* (Washington, D.C., 8 April 2011).

[13] See footnote 1.

20. Income inequality has increased in the majority of countries over the past 30 years. About two thirds of the countries for which data were available experienced an increase in income inequality between 1990 and 2005, despite globally robust economic growth.[14] Similarly, the income gap between the wealthiest and the poorest 10 per cent of income earners increased in 70 per cent of the countries.[15] There were large differences in mean income across countries, which accounted for two thirds of global income inequality.[16] Global wealth was highly concentrated, as the richest 1 per cent of the world's population owned 40 per cent of global assets, while the bottom half held just 1 per cent.

21. Gender-based inequality in income remained. Despite the narrowing of gender-based disparities in school enrolment, the average shortfall of women's earnings compared to men's was 22.9 per cent in 2008-2009. This showed little progress over the gap of 26.2 per cent in 1995. At this rate, it would take more than 75 years to achieve equal pay for equal work.[17]

22. Disparities in health, education and other dimensions of human development reflect unequal access to basic social services, making it even harder for poor people to break the cycle of poverty. New data showed the persistence of large disparities. For example, in South Asia, between 1995 and 2009, while underweight prevalence among children from the richest 20 per cent of households decreased by almost one third, almost no improvement was seen among children in the poorest households.[18]

23. The recent figures highlighted stark rural-urban disparities. For example, in South Asia, only 28 per cent of people living in rural areas have had access to sanitation facilities, compared with 60 per cent in urban areas or settlements. In the Middle East and North Africa, South Asia, and sub-Saharan Africa, infant mortality rates in rural areas were 10 to 16 percentage points higher than in urban areas. East Asia has maintained the highest differential, at 21 percentage points.[18] Significant disparity has remained with regard to reductions in maternal mortality. Also, children living in rural areas of developing regions were twice as likely to be underweight than their urban counterparts. Spatial disparity also existed in education, including both enrolment and gender parity.

24. There are important global dimensions to the issue of inequality. Although some poorer countries have been catching up with richer economies, the income levels of richer countries are still much higher. For example, the poorest 5 per cent of people in a rich country such as the United States of America would be richer than two thirds of the people in poor countries. Thus, a person's income, opportunities and standard of living depend largely on citizenship and location.[19]

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[14] Francisco H. G. Ferreira and Martin Ravallion. *Global Poverty and Inequality: a review of the evidence*. World Bank Policy Research Working Paper 4623 (Washington, D.C., 2008).

[15] ILO, International Institute for Labour Studies, *World of Work Report 2008: Income inequalities in the age of financial globalization* (Geneva, 2008).

[16] Branko Milanovic, *Worlds Apart: Measuring International and Global Inequality* (Princeton, N.J., Princeton University Press, 2007).

[17] International Labour Organization, report of the Director General, *A New Era of Social Justice*, International Labour Conference, 100th session (ILO, Geneva, 2011).

[18] See footnote 3.

[19] Branko Milanovic, *The Haves and Have Nots* (Basic Books, New York, 2011).

Climate change

25. Environmental threats are a serious risk to poverty reduction. Poor countries and communities are particularly vulnerable to climate change, degradation of ecosystems and disasters such as prolonged droughts, floods, coastal storms, and changes in agricultural productivity. Climate change is already aggravating chronic environmental threats, and ecosystem losses are increasingly constraining livelihoods for poor people. Poor people experience the severe implications of a polluted environment and lack of clean water and sanitation, and this affects their health negatively. Extreme temperature appears to affect yields of important crops and can pose a threat to food security in many developing countries. Climate change can also worsen the prevalence of hunger through direct negative effects on production and indirect impacts on purchasing power.

26. According to the *2013 Human Development Report*, if environmental conditions should worsen, by 2050 the average Human Development Index could be 8 per cent lower than if environmental conditions followed current trends. Another recent report has suggested that if warming should cause temperatures to rise from 2° C to 4° C across sub-Saharan Africa, South Asia and South-East Asia, multiple threats from increasing heat waves, sea-level rise, more severe storms, droughts and floods would have serious negative implications for the poorest and most vulnerable.[20] For example, by the 2030s in sub-Saharan Africa, droughts and heat would leave 40 per cent of the land now growing maize unable to support that crop, while rising temperatures could cause major loss of savannah grasslands, threatening pastoral livelihoods. Depending on the subregion, that could mean stark increases in the proportion of the population undernourished by 2050. Therefore, promoting economic growth and the eradication of poverty and inequality will be an increasingly challenging task under future climate change conditions.

IV. Policy priorities

27. In order to overcome the challenges to poverty eradication, Governments need to develop and implement policies that create social and economic opportunity for all, promoting low-carbon and sustainable solutions to employment creation, inequality, and economic instability.

Global goals

28. The Millennium Development Goals made poverty reduction a policy priority for every country, and the core objective of development at the global level. This momentum needs to be sustained. States Members of the United Nations have initiated and supported various platforms for dialogue aimed at creating effective guidelines for development policy post-2015.

29. In response to requests from Member States (see General Assembly resolution 65/1, para. 81), the Secretary-General has set up a number of complementary mechanisms, including the United Nations System Task Team, comprising about 60 United Nations agencies; the High-level Panel of Eminent Persons; and the Sustainable Development Solutions Network, each combining different research and

[20] The World Bank, *Turn Down the Heat: Climate Extremes, Regional Impacts, and the Case for Resilience* (Washington, D.C., 2013).

practical expertise to approach the question of a post-2015 development agenda. In that connection, the United Nations Conference on Sustainable Development in 2012 initiated an inclusive intergovernmental process to develop a set of sustainable development goals. An Open Working Group of the General Assembly is working closely with the United Nations System Task Team to formulate a proposal on sustainable development goals to be presented at the sixty-eighth session of the General Assembly. Other related initiatives have also been under way both within and outside the United Nations system. Together these different tracks aim at arriving at a universal, global post-2015 development agenda that is applicable to all countries.

30. Ensuring that poverty is even more effectively addressed, post-2015 means increased attention to stark social and economic inequalities. Policies would need to reach consistently excluded groups in society. The report of the High-Level Panel of Eminent Persons on the Post-2015 Development Agenda set out a universal agenda to eradicate extreme poverty by 2030. The road map calls for transformative changes through ending poverty in all its forms, putting sustainable development at the core, transforming economies for jobs and inclusive growth, building effective institutions, and building a new global partnership. The report recommends that social justice should stand at the core of policies to address poverty eradication, going beyond extreme poverty to reach all the neediest and most vulnerable.[21]

31. The World Bank Group announced a new agenda geared towards ending extreme poverty at the global level and promoting growth with equity and inclusion. The target would be to ensure that the percentage of people living on less than US$ 1.25 a day fell to no more than 3 per cent by 2030, and to foster income growth for the bottom 40 per cent of the population in every country.[22] The agenda would give attention to income generation from the bottom up, an apt response to the continued evidence that growth in gross domestic product (GDP), although necessary, would not be enough to foster prosperity in a sustainable and inclusive way.

Inclusive growth and an enabling environment

32. Sustaining economic growth and reducing poverty require orienting macroeconomic policy towards the creation of more, and better, jobs. Countries that have fared better through economic cycles, reducing the fluctuation of output, investment and employment, have been able to implement a consistent set of countercyclical fiscal and monetary policies.

33. Research has continued to show that for growth to affect poverty reduction positively, it needs to absorb labour and be diversified and job-rich across multiple sectors. However, in the wake of the global financial and economic crisis and the resultant Great Recession, many countries have found it difficult to sustain this type of growth.

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[21] United Nations, *A New Global Partnership: Eradicate Poverty and Transform Economies Through Sustainable Development*. The Report of the High-Level Panel of Eminent Persons on the Post-2015 Development Agenda (United Nations, New York, 2013).

[22] World Bank, *The World Bank Group Goals: End Extreme Poverty and Promote Shared Prosperity* (World Bank, Washington, D.C., 2013).

34. There has been growing evidence of the need for fiscal stimuli in helping to propel inclusive growth; yet, many developed countries have adopted austerity in the hope of containing deficits during recession. The impact has been counterproductive in countries where employment has been affected, as an increase in unemployment led to reduced government revenue from taxes, exerting further fiscal pressure. Reduced public spending affected not only the vulnerable groups in developed countries themselves, but had an adverse effect on aid and investment in developing countries where official development assistance has accounted for a significant share of public revenue. Official development assistance declined in both 2011 and 2012, making it the first time since 1997 that official development assistance reduced in two consecutive years.[23] For these debt-strapped countries, maintaining their investments in human capital is thus not only important for their continued economic growth, but for economic development and poverty reduction at the global level.

35. Attention to active labour market policies can be helpful, particularly the provision of training and public employment services. Research by the International Institute of Labour Studies has shown that increased spending on active labour market policies of 0.5 per cent of GDP could increase medium-term employment rates by more than 1 per cent. Active labour market policies should be complemented by carefully designed unemployment benefits, as they can help to speed up growth and recovery by providing income support.[24] Effective implementation has been an important factor in their success. The effectiveness of active labour market policies and other drivers of job creation would also be heightened by support to collective action and efficient social dialogue. Where workers have had a voice in wage determination and workplace regulations, such as hours worked, the effectiveness of government spending on employment creation and monetary policy has improved.[24]

36. Direct job creation measures, such as large-scale public works initiatives — although not as effective as a focus on active labour market policies and income-support measures such as unemployment benefits — have had some direct and indirect effects on poverty reduction. The National Rural Employment Guarantee Act in India, one widely cited example of this policy trend, made provision for 50 days of gainful work per year to about 50 million households, and has had a positive effect on numerous poverty-related factors, such as household spending on education, health care and food consumption.[25]

37. Inadequate structural components can hamper the effect on poverty reduction of even diverse, labour-intensive growth. Comparative research in Asia and Africa has shown that, in countries where the composition of growth was similar, differentiations in infrastructure and access to services have influenced the impact of growth on poverty. There needs to be an emphasis on providing an enabling environment for personal and community development through provision of

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[23] See footnote 10.

[24] Matthieu Charpe and Stefan Kühn, *Effective Employment policy under tight fiscal constraints: An application using the GEL model* (International Labour Organization, International Institute for Labour Studies, 2012).

[25] Poulomi Dasgupta, "Employment Generation Schemes and Long-Term Development", *Employment Guarantee Schemes: Job Creation and Policy in Developing Countries and Emerging Markets*; Michael J. Murray and Mathew Forstater, eds. (New York, Palgrave MacMillan, 2013), pp. 103-126.

adequate infrastructure and access to technology, eliminating discriminatory and exclusionary practices, and ensuring access to quality social services to improve human capability. All of this must be accomplished within the context of effective environmental management.

Agricultural growth and rural development

38. Supporting sustainable agricultural and rural development helps increase food production and reduce poverty and hunger. As highlighted by the Food and Agriculture Organization of the United Nations (FAO), poverty and hunger have remained most pervasive in those regions where agricultural capital per worker and public agricultural spending per worker have stagnated, or fallen. Other research has noted that, owing to the composition of global poverty, investment in agriculture was 2.5 to 3.0 times more effective in increasing the income of the poor than non-agricultural investment.[26]

39. Evidence has suggested that high public investment in large-scale agricultural programmes in various countries in Asia, Latin America and sub-Saharan Africa during the late 1990s and early part of the 2000s has achieved impressive agricultural growth, with significant effects on poverty reduction.[27] Research to improve yields, competitiveness, infrastructure development and support for market access have been crucial policy objectives for guiding investment during that period. The sustainability of agricultural growth, however, requires new policies that integrate the importance of ecosystem preservation and the sustainable use of natural resources.

40. Eliminating rural poverty would require more than agricultural growth, however. Typically, as countries develop, not only does the relative share of agricultural production to GDP decrease, but mechanization and other technological advancements also reduce the labour needs in the sector. Therefore, while strengthening rural incomes through agriculture would be an effective strategy for poverty reduction in the short to medium term, attention must be given to the diversification of rural economies and to enhancing the skill sets of rural dwellers, enabling them to seek and transition to other employment sectors as labour demands shift.

Reduction of inequality and empowerment for poverty eradication

41. At the core, eradication of poverty and the improvement of overall well-being remain rooted in long-term investment in people and infrastructure and the elimination of systemic obstacles to upward economic, social and political mobility. Even without fast growth, improving the productive potential — through providing access to social services such as education, health care and nutrition — remains critical for building resilience and reducing poverty.

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[26] Kevin Cleaver, *Scaling Up in Agriculture, Rural Development, and Nutrition*, ed. Johannes F. Linn, "Investing in Agriculture to Reduce Poverty and Hunger", International Food Policy Research Institute, Focus 19, Brief 2 (Washington, D.C., 2012).

[27] Bhajan Grewal, Helena Grunfeld and Peter Sheehan, "The Contribution of agricultural growth to poverty reduction", Australian Centre for International Agricultural Research Impact Assessment Series Report No. 76 (ACIAR, Canberra, 2012).

42. Successful poverty reduction thus requires a transformative social contract that promotes an inclusive society supported by the institutions and systemic structures and processes necessary for empowering people to participate fully in economic, social and political life. Efficiently managed social protection schemes and socially targeted public spending are thus effective complements to other poverty-reduction efforts. Cash-transfer programmes in Brazil, India and Mexico have helped to narrow income gaps and improve the health and educational prospects of poor communities.

43. Research in Latin America has shown that effectively implemented inequality-reduction measures can have a significant effect on poverty reduction. On average, during the 2000s, reductions in inequality accounted for about half of the decline in poverty: reductions in income and non-income inequality were found to be just as dependent on government transfers and shifts in labour-market policies as they were on macroeconomic shifts, such as terms of trade, diversification and sectoral development.[28]

44. In-kind transfers in education and health have been found to reduce inequality even more than cash transfers.[29] Research has also found mothers' education to be more important to child survival than household income. As noted in the Human Development Report 2013, this could have profound implications, potentially shifting emphasis from efforts to boost household income to measures to improve girls' education. High quality education boosts people's self-reliance, particularly where curricula are flexible, updated and designed to reflect the demands of the labour market.

45. Attempts to extrapolate the global impact of social protection on poverty have suggested that social protection keeps about 150 million persons around the world from falling into extreme poverty and, on average, reduces poverty in the developing world by about 45 per cent. However, because the content and coverage of social protection vary considerably across the globe, there have been differences in impact across countries. Eastern Europe and Central Asia have seen the greatest poverty-reducing benefits of their social protection programmes while, in sub-Saharan Africa, the average impact has been only about 1 per cent.[30] The need for setting some basic guidelines and targets for enhancing social protection policies is evident. The Social Protection Floor Initiative,[31] promoted by the United Nations, has been a positive move in this direction.

Environmental management and disaster-preparedness

46. Curbing the current, and potential, negative impact of climate change is integral to the eradication of poverty. Aside from addressing environmental degradation directly, curbing the impacts of climate change on poverty requires

[28] Nora Lustig, Luis F. Lopez-Calva and Eduardo Ortiz-Juarez, "Declining Inequality in Latin America in the 2000s: The cases of Argentina, Brazil and Mexico", Center for Global Development Working Paper 307 (Washington, D.C., 2012).

[29] Nora Lustig, Carola Pessino and John Scott, "The Impact of Taxes and Social Spending on Inequality and Poverty in Argentina, Bolivia, Brazil, Mexico, Peru and Uruguay; An Overview", Commitment to Equity Working Paper No. 13 (Washington, D.C., 2013).

[30] Ariel Fiszbein, Ravi Kanbur and Ruslan Yemstov, "Social Protection, Poverty and the Post-2015 Agenda", World Bank Policy Research Working Paper 6469 (Washington, D.C., 2013).

[31] International Labour Organization, "Social Protection Floor for a Fair and Inclusive Globalization", Report of the Advisory Group Chaired by Michelle Bachelet, Convened by ILO with the Collaboration of WHO (Geneva, 2011).

well-managed social protection, and pertinent investments in human capital and adequate infrastructure. Implementing the necessary policies is especially difficult in those countries and regions with limited economic resources. The establishment of the Green Climate Fund represents commitment from the international community to address this problem.[32]

47. Support for the development, dissemination and adaptation to local conditions of clean energy sources is important for moving development forward in a sustainable and inclusive way. Rapidly growing economies will need access to an ample supply of clean, affordable energy to maintain the ecosystem balance. This is especially pertinent to the Asian case, where growth has hinged on rapid, energy-intensive industrial development.

48. Economic losses from disasters have been increasing rapidly and are more than 15 times higher than they were in the 1950s.[33] Small island developing States, already vulnerable to economic shocks owing to economic size and external market dependence, have been among the most affected, particularly those in East Asia and the Pacific. The World Bank Group has pointed to investments in hazard forecasting and early warning systems, striking the balance between "grey" and "green" infrastructure, investing in social protection systems that can be scaled up in response to disasters, and robust urban planning mechanisms, as effective policy direction for curbing the negative effects on vulnerable economies and the poor.

Financing for development

49. Effective poverty reduction cannot be maintained without sustainable financing. While access to — and effective use of — aid remains an essential element of financing for poverty reduction, external aid is not enough; domestic resource mobilization remains key to ensuring that resources for policy implementation are available consistently. Securing and using external and internally sourced financing effectively requires a social and political environment that will encourage long-term investment by local and international partners. This requires good governance based on the rule of law and effective institutions couched in transparency and inclusion, ensuring that the voices of all groups are accounted for in decision-making processes. In the globalized international environment, inclusive growth in developing countries also requires open, fair and development-friendly trade systems and access to technology.

V. United Nations system-wide plan of action for the Second United Nations Decade for the Eradication of Poverty (2008-2017)

50. The implementation of the policies discussed above requires significant efforts at the national and international levels. To this end, the system-wide Plan of Action for the implementation of the Second Decade has served to coordinate the United

[32] United Nations, Framework Convention on Climate Change Report of the Conference of the Parties on its seventeenth session, held in Durban from 28 November to 11 December 2011 (FCCC/CP/2011/9/Add.1).

[33] Abhas K. Jha, Zuzana Stanton-Geddes, *Strong, Safe, and Resilient: A Strategic Policy Guide for Disaster Risk Management in East Asia and the Pacific*, Directions in development; environment and sustainable development (World Bank, Washington, D.C., 2013).

Nations system efforts in its advisory and programmatic support to Member States. Across the system, those efforts have continued to focus on supporting the Social Protection Floor Initiative and pro-poor investments in human capital, job creation and green growth, particularly through experience and knowledge-sharing.[34]

Promoting greater awareness about employment and decent work as an effective development strategy for poverty reduction

51. The Commission for Social Development, at its fifty-first session, held a panel discussion on the priority theme "Promoting empowerment of people in achieving poverty eradication, social integration and full employment and decent work for all". The panel discussion provided an opportunity for all stakeholders to engage in interactive dialogue to deepen their knowledge and understanding of the links between empowerment and other critical elements of social policy in reducing poverty and promoting full employment and decent work for all. Stakeholders identified and exchanged experiences in implementing inclusive policies and strategies to enable the empowerment and participation of vulnerable people, communities and social groups, including people living in poverty.

52. The General Assembly declared 2012 as the International Year of Cooperatives, highlighting the contribution of cooperatives to socioeconomic development and, in particular, recognizing their impact on poverty reduction and employment generation. Throughout the year, Governments, cooperatives, international organizations, civil society actors and other stakeholders worked to increase public awareness about cooperatives and their contribution to socioeconomic development and to the achievement of the Millennium Development Goals. Most recently, at the Rio+20 conference, the international community acknowledged the role cooperatives have played in advancing important development goals such as poverty reduction and access to decent work and sustainable livelihoods.

53. In the report *World Economic Situation and Prospects 2013*, the global jobs crisis is discussed. The report predicted a much slower pace of poverty reduction in many developing countries in the current post-crisis period, and called for more forceful and concerted policy action at the global level, identifying employment policies as one of the key challenges. The report stressed that the reorientation of fiscal policies should be coordinated internationally and aligned with structural policies that support direct job creation and green growth.

54. The Economic Commission for Latin America and the Caribbean (ECLAC) and the International Labour Organization (ILO), in the most recent issues of the joint publication *The employment situation in Latin America and the Caribbean*, addressed issues of relevance to the performance of the region's labour market and their impact to improve understanding of this key policy area. The report discussed the evolution of youth employment and underemployment during the global economic crises and recovery period, progress made in the region with respect to the development of decent work indicators, and outstanding challenges.

55. FAO conducted several awareness-raising activities and shared good practices in relation to decent rural employment, particularly on child-labour prevention in agriculture, youth employment and social protection. FAO collaborated with ILO through the International Partnership for Cooperation on Child Labour in Agriculture

[34] Inputs received from the relevant United Nations agencies.

to reduce children's exposure to hazardous pesticides. FAO also contributed to the development and implementation of the United Nations System-Wide Action Plan on Youth.

56. The International Fund for Agricultural Development (IFAD) collaborated with FAO and ILO to produce in 2011 the publication, *Gender dimensions of agricultural and rural employment: Differentiated pathways out of poverty*, which examined the links between gender equality and rural employment for poverty reduction, while analysing different patterns and conditions in the world of work in rural areas across different regions and socioeconomic contexts. The *Rural Poverty Report 2011*, produced by IFAD, stressed the need for an improved environment in which rural people could find decent employment opportunities, where their rights and ability to organize were recognized, and in which efforts were made to address the prevalence of poorly paid, insecure, female-dominated jobs in the informal sector.

57. The UNDP Bureau for Development Policy Poverty Group published country studies on the employment impact of social and economic policies. UNDP and ILO led global thematic consultations on growth, structural change and employment. Participants addressed the issue of employment as a critical means to the achievement of sustainable development and employment creation within new growth patterns and structures, including the need to move to a low-carbon economy and increasing the use of green technologies. UNDP held consultations on the post-2015 development agenda in 83 countries in which employment and decent work were raised as major concerns. Key issues that ran through the discussions at the country and international levels included youth employment, informal employment, marginalization of people in labour markets, labour migration, inequality, education, social protection, and policies for improving productive capacities in developing countries.

58. ILO, in cooperation with UNDP, led the global thematic consultation on growth and employment. ILO organized a briefing on growth and employment in the post-2015 development agenda in December 2012, and an e-discussion on the theme "Setting jobs and livelihoods at the heart of the post-2015 development agenda". A concept note on "Jobs and livelihoods at the heart of the post-2015 development agenda" was prepared and distributed widely to make the case for including full and productive employment and decent work in the post-2015 agenda.

59. ILO report *World of Work 2013* provided a comprehensive analysis of the current state of labour markets and social conditions around the world. The report discussed income inequality and showed that the employment situation has deteriorated significantly in most advanced economies, and highlighted the spillover effects of this deterioration on emerging and developing economies. The ILO *Global Employment Trends 2013* showed that global unemployment figures were rising, although with significant differences between regions, while the ILO *Global Wage Report 2012-2013* looked at the macroeconomic effects of wages and, particularly, at the way current trends were linked to equitable growth. It also showed how the gap between wage growth and labour-productivity growth was widening, the difference between the top and bottom earners increasing, and labour income share declining.

Strengthening capacity-building

60. The Department of Economic and Social Affairs, the Economic and Social Commission for Asia and the Pacific (ESCAP), the Regional Office for Asia and the Pacific of ILO and the United Nations Environment Programme (UNEP) jointly organized an expert group meeting on *Green Growth and Green Jobs for Youth* in December 2012, in Bangkok. The meeting stimulated dialogue between participants, shared information and knowledge for achieving better understanding of the challenges in creating green jobs, and identified promising initiatives and examples of green jobs for youth employment creation, in particular in Asia and the Pacific.

61. ECLAC and UNICEF provided training on the multidimensional measurement of child poverty to national statistical officers and members of civil society in 2012, in El Salvador and Trinidad and Tobago. ECLAC provided technical assistance to El Salvador and Haiti in social protection systems and the conceptualization and design of their conditional cash transfer programmes. This resulted in the Social Development Law bill being discussed currently in the political system and civil society. The ECLAC office in Buenos Aires provided technical assistance on wage policies to the Ministry of Labour, Employment and Social Security of Argentina.

62. UN-Habitat developed and implemented the innovative youth economic empowerment model One Stop Youth Centres to help increase youth access to entrepreneurship, livelihood opportunities and incomes. The main objective of the centres is to provide employment ideas and gender-sensitive vocational training and apprenticeship opportunities to urban youth. FAO provided technical support on youth employability and entrepreneurship through technical cooperation projects and promoted rural youth employment through the Junior Farmer Field and Life Schools agro-skills and entrepreneurship methodology. FAO, together with ILO, conducted capacity-building activities for national stakeholders in Cambodia, Malawi, the Lao People's Democratic Republic and the United Republic of Tanzania. IFAD provided training in several countries in crop production, business and entrepreneurship and community management. IFAD was involved in capacity-building and knowledge-management training for gender equality. UNDP, with the adoption of the System-wide Action Plan on Youth (Youth-SWAP), participated in the activities of the employment subgroup and conducted activities supporting institutional reform for an enabling environment conducive to youth entrepreneurship, including access to markets and finance.

63. The ILO International Training Centre conducted training courses that identified and disseminated the best thinking and practices concerning the world of work. The Centre ran more than 450 programmes and projects for about 11,000 people from more than 180 countries. The ILO Inter-American Centre for Knowledge Development in Vocational Training played a major role in promoting South-South and Triangular Cooperation, partnerships and knowledge-sharing, with a view to promoting skills development and reducing poverty and social exclusion.

Sharing best practices in promoting employment and decent work at the national and international levels

64. ECLAC conducted research on extensive self-employment working conditions and predominant informal activities, which are major concerns regarding decent work in Haiti. The ECLAC office in Buenos Aires, in coordination with the Ministries of Economy and Labour, Employment and Social Security, conducted a

study on Argentina's production structure and its linkages with issues of employment, social development and equality.

65. UN-Habitat worked at the country level to promote strategies and policies that strengthened the capacity of cities to act as an engine of economic development. UN-Habitat, in partnership with local urban authorities, also developed and disseminated information on integrated approaches to improving urban productivity and competitiveness by building upon local capacity.

66. An IFAD-ILO study in Egypt, Senegal, Madagascar, Nicaragua and Nepal demonstrated the relevance of the four pillars of the decent work approach — employment, labour standards, social protection and social dialogue — for improving the living and working conditions of young people in rural areas. ILO held several global and regional events which helped to mobilize strong support for the decent work agenda, in particular in the context of the crisis.

Supporting the integration of decent work and poverty eradication into national and international policies and programmes

67. The ECLAC office in Mexico carried out analytical work aimed at strengthening the capacity of national Governments in the subregion to adopt policies that would support the creation and promotion of decent work. The Division of Gender Affairs in ECLAC implemented a project aimed at fostering women's inclusion in the labour market, especially in the dynamic sectors in Costa Rica and El Salvador.

68. UN-Habitat developed and implemented Urban Youth Fund projects to promote poverty reduction and achieve sustainable urban development. By undertaking research on best practices in youth-led development, the Fund also created greater awareness of the need to integrate youth concerns into national and local development policies and strategies.

69. FAO promoted the provision of policy and institutional support towards the integration of decent rural employment in agricultural and rural development policies and published *Guidance on how to address decent rural employment in FAO country activities*. IFAD developed two products aimed at addressing the decent work needs of rural youth: *A Guidance Note*, which sought to enable development practitioners and project staff to design programmes addressing decent work and livelihood issues of rural youth; and a *Policy Brief* which offered a series of specific recommendations for promoting rural youth employment.

70. The joint UNEP-UNDP Poverty-Environment Initiative supported the integration of social, economic and environmental objectives in national development policies in 18 countries and promoted environmentally based activities that created jobs. UNDP participated in employment-related projects and activities in 62 countries. The support focused on the areas of national and sectoral policies in employment generation, vocational education and training, entrepreneurship and microfinance, and public works, including in post-conflict settings. ILO supported tripartite constituents in four strategic areas of the Decent Work Agenda through nationally driven Decent Work Country Programmes. A total of 113 Member States have either finalized Decent Work Country Programmes or are in the process of preparing such programmes.

Promoting social protection

71. The United Nations system continued to emphasize social protection in its poverty reduction efforts. ILO published its *Social security strategy*, which provided guidance on future developments of social security in countries at all levels of development. The aim of the strategy was to build comprehensive social security systems in line with national priorities, resources and circumstances. The strategy reaffirmed the promotion of employment as an economic and social necessity for development and served as the basis for the ILO technical support, advisory services and capacity-building. ILO and the World Bank co-chaired the Social Protection Inter-Agency Cooperation Board. Participating agencies committed to join forces on social protection data harmonization, knowledge-sharing and capacity-building, global coordination, research and advocacy, and international cooperation in country demand-driven actions in developing common assessment tools.

72. UNICEF developed and disseminated its global strategy framework on social protection, which was drawn from country-level experience combined with global-level expertise and analysis. In 2012, UNICEF launched the Social Protection Strategic Framework, which strengthened its global position on social protection debates, made the case for child-sensitive social protection, and argued for the expansion of inclusive, integrated systems as an effective approach to achieving greater equity for children and furthering broader human and economic development. The organization was involved in social protection initiatives in 104 countries, undertook child poverty and disparities analysis in 81 countries and engaged in social budgeting in 64 countries. In countries such as Liberia, Uruguay, Zimbabwe and Ghana, where there were successful social protection programmes, UNICEF piloted conditional cash transfer programmes in order to enhance child focus further.

73. ECLAC produced a new series of case studies on social protection systems in 17 Latin American and Caribbean countries, as well as studies on childhood and social protection in the region. It created a regional database on conditional cash transfer programmes and social pensions, tracking budgets and population coverage of these programmes. The aim was to disseminate knowledge on the scope and challenges of social protection, in terms of realizing the economic and social rights of the population and eradicating poverty. The UNDP International Policy Centre for Inclusive Growth continued its work on impact evaluation of social protection schemes in Ecuador and Mexico. The International Policy Centre for Inclusive Growth served as facilitator and convener of South-South sharing on social protection, public works and other active labour market policy instruments.

VI. Conclusion and recommendations

74. **The Second Poverty Decade and its focus on employment and decent work for all has provided an important platform for national action and international cooperation to eradicate poverty. Poverty eradication requires integrating the three dimensions of sustainable development — economic, social and environmental — to achieve people-centred development outcomes. The Second Decade has enabled a critical focus on sustained, inclusive and equitable growth, poverty eradication, full employment and decent work for all, by integrating inclusiveness and opportunities for all segments of the population.**

75. The eradication of poverty should remain at the core of a transformative development agenda beyond 2015. This new framework must draw on the lessons learned from the implementation of the Millennium Development Goals and the continued impacts of the global financial and economic crisis, inequality, food insecurity and environmental degradation, to ensure that the future of social and economic development follow a sustainable trajectory.

76. The system-wide Plan of Action for the implementation of the Second Decade continues to play an important role in ensuring coherence among the United Nations entities in their support of the wide range of national efforts on poverty eradication.

77. The General Assembly may wish to consider the following recommendations:

(a) Recognize that a post-2015 development agenda should centre on the eradication of extreme poverty, the creation of employment opportunities, the promotion of social justice grounded in the voice of the people, and the promotion of equitable, inclusive growth and environmental sustainability;

(b) Encourage Member States to give priority to creating productive employment and decent work, in particular for young people, through strengthening skills and labour markets, improving the quality of jobs, and extending support to vulnerable groups;

(c) Acknowledging that universal access to basic social protection is critical to reducing poverty and inequality, urge Member States to improve existing social protection systems and to develop and implement social protection floors, paying particular attention to women, children, older persons and people with disabilities;

(d) Recognizing the pervasive nature of rural poverty and the predominance of working poor in the agricultural sector, call upon Member States to implement policies for improving agricultural productivity, and enhancing livelihoods and food security and nutrition, in poor rural communities;

(e) Encourage Member States to promote the advancement of micro-, small- and medium-size enterprises, the most dynamic sources of employment, by implementing policies that facilitate access of smallholders and entrepreneurs to credit, resources, technical and extension services, insurance and markets;

(f) Encourage Member States to promote sustainable patterns of production and consumption, and the protection and management of the natural resource base of economic and social development;

(g) Call upon the United Nations system to enhance inter-agency collaboration and policy coherence on poverty and employment issues further, within the framework of the Second United Nations Decade for the Eradication of Poverty.